

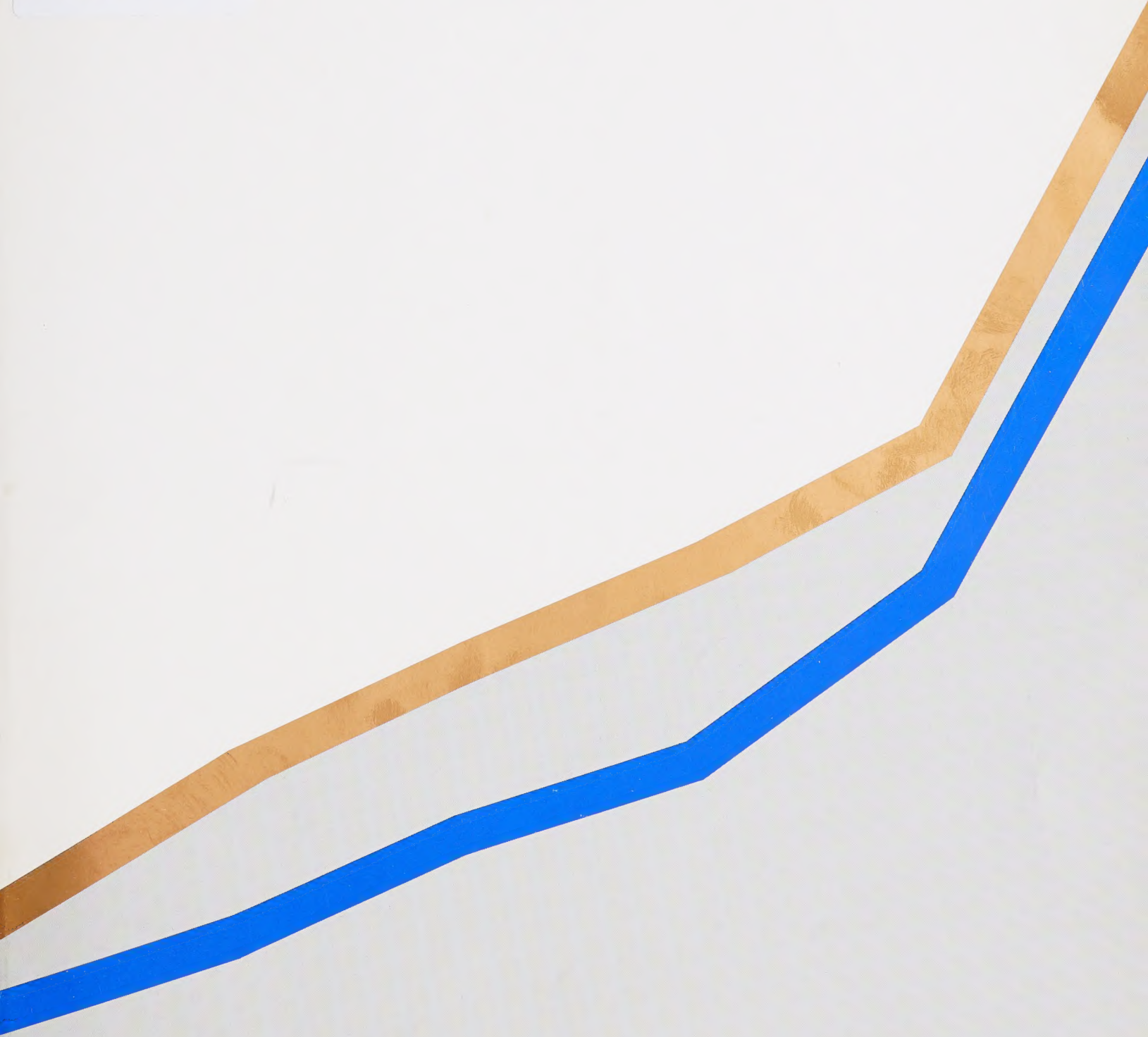


STANDARD TRUST

1978 ANNUAL REPORT

file

AR20



Standard Trust Company

Directors

†J. Lachlan Cattanach, Q.C.

Partner, Cattanach, Hindson, Sutton & Hall, Markham, Ontario

George M. Clemons

Chairman, Canadian Livestock Exporters Association, Brantford, Ontario

Paul A. Kates

President, Kates-Duncan & Associates Ltd., Toronto, Ontario

Donald H. Koyl, A.A.C.I., F.R.I., C.R.E.

Real Estate Consultant, Koyl Agencies Ltd., Saskatoon, Saskatchewan

*†E. Bruce McConkey, C.A.

Vice President Finance, Denison Mines Limited, Toronto, Ontario

Susan McCutcheon, B.A.

Teacher, Toronto, Ontario

Harvey McFarland

Vice President, Loch-Sloy Holding Ltd., Picton, Ontario

*†Brian R. O'Malley, B.A., B.Comm., F.T.C.I.

President and Chief Executive Officer, Standard Trust Company, Toronto, Ontario

*†William L. Paton, C.G.A., M.T.C.I.

Vice President Finance and Treasurer, Standard Trust Company, Arden, Ontario

George Rodanz

President, Ringwood Farms Limited, Thornhill, Ontario

Helen Roman-Barber, L.L.M.

Vice President & Director, Roman Corporation, Toronto, Ontario

Wesley D. Thompson

President, W. G. Thompson & Sons Ltd., Blenheim, Ontario

*†Bertram E. Willoughby, B.S.A., P.Ag., F.R.I., C.R.E.

Chairman of the Board, A. E. LePage (Ontario) Ltd., Belfountain, Ontario

The Honourable Eric. A. Winkler,

Secretary Treasurer, Gateman Coach Lines, Hanover, Ontario

Honorary Director

The Honourable W. Earl Rowe, P.C., LL.D., D.Sc., Soc.

Newton Robinson, Ontario

*Executive Committee

†Audit Committee

Officers

Brian R. O'Malley, B.A., B.Comm., F.T.C.I., *President and Chief Executive Officer*

Bertram E. Willoughby, B.S.A., P.Ag., F.R.I., C.R.E., *Vice President*

William L. Paton, C.G.A., M.T.C.I., *Vice President Finance and Treasurer*

James Wood, M.T.C.I., *Vice President and Secretary*

Kenneth Lucas, *Vice President*

H. Bruce Miller, A.T.C.I., *Branch Administration Officer*

James W. McMahon, B.Comm., C.G.A., M.T.C.I., *Assistant Treasurer*

Vera N. Horniak, A.T.C.I., *Assistant Comptroller*

Corporate Office

69 Yonge Street, Suite 200, Toronto, Ontario. M5E 1K3

Corporate Logo

During the year, a new corporate logo was designed to emphasize the vigorous growth and new direction of the Company. The symbol of the gold lion to indicate security, stability and strength, bearing our blue standard fulfils this purpose.



This annual report marks the 15th year since incorporation of Standard Trust Company, and it seems an appropriate occasion to pay tribute to our first Chairman, the Hon. George Alexander Drew, P.C., C.C., C.D., Q.C., L.L.D.

He played an active role in the formation of Standard Trust, and served as Chairman until 1972 when he became an Honorary Director. He died in 1973 after a lifetime of public service.

Mr. Drew is perhaps best remembered as the Premier of Ontario from 1943 until 1948, as Leader of the Opposition in the Canadian House of Commons from 1949 until 1956, and as Canadian High Commissioner to the United Kingdom from 1957 until 1964.

His service to Canada started in 1910 when he joined the 16th Battery, Canadian Artillery in Guelph, where he was born in 1894. He went overseas in 1915, was wounded the following year, and returned to Canada to command the 64th Battery. Subsequently, he commanded the 11th Field Brigade with headquarters in Guelph, and later became Honorary Colonel with the 11th Field Regiment, Royal Canadian Artillery, an association which he maintained from 1910 until his death.

Mr. Drew was educated at the Guelph Collegiate Institute, Upper Canada College, the University of

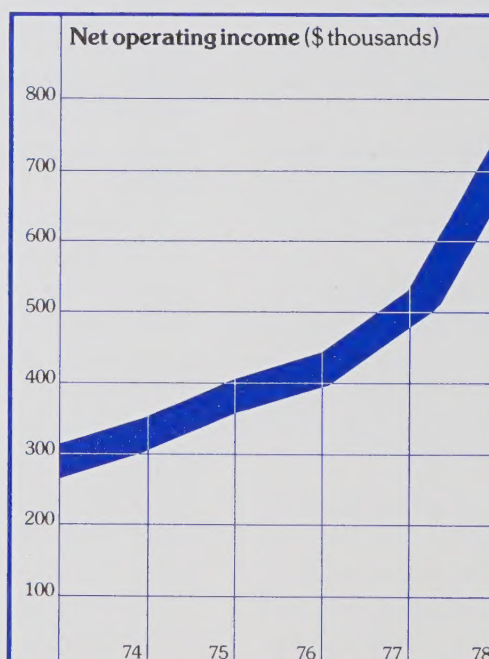
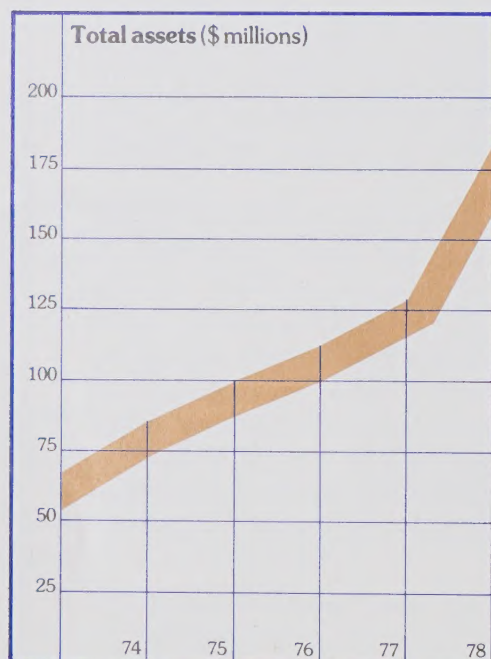
Toronto and Osgoode Hall. He was called to the Bar in 1920, practised law in Guelph, was elected a City Alderman in 1922-23 and 24, and Mayor in 1925. In 1929 he was appointed Master of the Supreme Court of Ontario, and in 1931 was Chairman of the Ontario Securities Commission, a position he held until 1934.

He became interested in political life and in 1938 was chosen Leader of the Conservative Party in Ontario. This led to a seat in the Legislature, and the Premiership in 1943. In 1948 he was chosen Leader of the Progressive Conservative Party in Canada, resigned as Premier of Ontario, and entered the Federal House as M.P. for Carleton. He was re-elected in 1949 and 1953, and in that latter year was sworn to the Privy Council. His appointment as Canadian High Commissioner in London was from 1957 until 1964.

It was then that Mr. Drew began his association with Standard Trust, and it was a fortunate one for the company. His legal training, his experience as Chairman of the Ontario Securities Commission, and his general business acumen were assets of great value during the formation and early development of the company. He was involved on a day-to-day basis and we are grateful for his devotion to our affairs for almost a decade.

Highlights

	1978	1977	% change
Revenue	\$ 15,726,017	\$ 11,613,280	35%
Expenses	14,707,470	10,918,203	42%
Net operating income	757,347	532,377	42%
Net income	771,696	532,377	45%
Total assets	\$185,108,543	\$128,716,090	44%
Total mortgages	161,677,146	114,087,611	42%
Total securities	13,419,379	9,591,078	40%
Total deposits	165,818,897	111,732,087	48%
Shareholders' equity	7,333,811	5,348,199	37%
Dividends paid	\$ 107,188	\$ 74,436	44%
Weighted average number of shares outstanding	378,672	297,744	27%
Per share			
Net operating income	\$ 2.00	\$ 1.79	12%
Net income	2.04	1.79	14%
Dividends paid	0.30	0.25	20%
Shareholders' equity	17.59	17.96	(2%)



Report to the shareholders



Standard Trust's senior management includes, from left to right: Kenneth Lucas, Vice President; James Wood, Vice President; Brian R. O'Malley, President and Chief Executive Officer; and William L. Paton, Vice President Finance and Treasurer.

Your Board of Directors is pleased to submit the Company's Annual Report together with the Financial Statements for 1978.

During 1978 your Company marked its fifteenth year since incorporation in July, 1963. Appropriately, it was our most successful year to date, with record increases in customer deposits, mortgage investments and earnings. We can look with pride on the growth of our Company over this period of time. Expansion to date has placed Standard Trust Company among the top twenty trust companies out of the more than eighty companies operating in Canada.

Financial results Your Company reached new records in all areas of operation during 1978. Net operating income was \$757,347 compared with \$532,377 in 1977, an increase of 42 per cent. Net operating income per share was \$2.00 compared to \$1.79 in 1977, an increase of 12 per cent. Earnings per share are based upon the weighted average number of shares outstanding during the year: 378,672 for 1978 and 297,744 shares in 1977. Net income was \$771,696 including a \$14,349 net gain from sale of securities.

Revenue from mortgages, securities, fees, commissions and other sources amounted to a record \$15,726,017 – a rise of 35 per cent from \$11,613,280 in 1977. Expenses

rose 35 per cent to \$14,707,470 from \$10,918,203 reflecting the expansion of our services, establishment of new branches and increased interest payments to holders of Guaranteed Investment Certificates and savings account customers.

During the year application was made to change from private to public company status under the Income Tax Act. In prior years, there were financial advantages in retaining private company status. However some of these advantages were diminished as a result of changes to the Income Tax Act and it was concluded that the long term advantages of public company status outweighed the short term benefits afforded by private status.

As a result of this change, current after-tax profits were reduced by approximately \$37,000 or 10¢ per share. Changes in the rate of capital tax in Ontario and in the level of federal income taxes further reduced profits by \$24,000 or 6¢ per share in comparison with 1977 results.

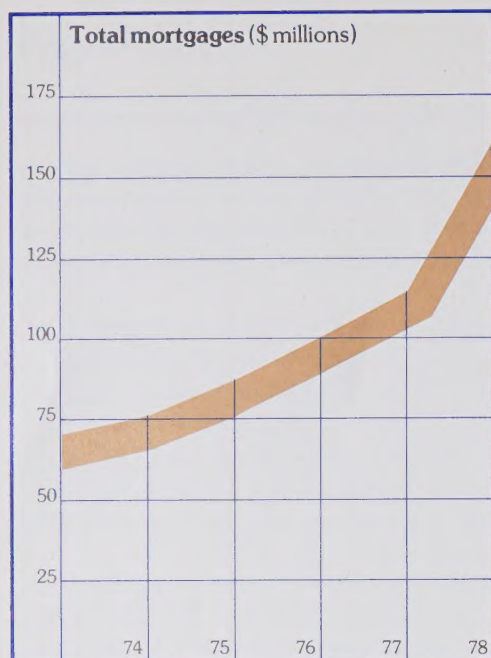
Total assets of the Company as at December 31, 1978 were \$185,108,543 a 44 per cent increase over assets at December 31, 1977 of \$128,716,090. During the year, the mortgage portfolio, our main area of growth, showed an increase, net of mortgage payments, of \$47,589,535 or 42 per cent to \$161,677,146.

The Company has followed a policy of carefully matching Guaranteed Investment Certificate terms with mortgage investments. The policy assures the Company of relative earnings stability regardless of rapid changes in interest rate levels, by locking in a fixed margin of gross profit for the term of investments. Your Company was well served by this policy in 1978 and we expect continued benefits during 1979. The table below showing the maturity dates of our Certificates and mortgages illustrates the current position of the Company.

Table of Guaranteed Investment Certificates and mortgage loans by year of maturity

Year of maturity	Guaranteed Investment Certificates	Mortgages (principal outstanding net of blanketed mortgages payable)
1979	\$21,568,171	\$19,353,758
1980	22,298,282	22,568,009
1981	25,089,127	27,214,513
1982	24,647,904	28,268,421
1983	55,633,220	52,893,492

Share capital At the annual meeting of the Company on April 6, 1978 the shareholders approved an increase in the capitalization of the Company to \$40,000,000 composed of 2,000,000 common shares with a par value of \$10.00 each and 1,000,000 preference shares with a par value of \$20.00 each. In June the Company received from the Minister of Consumer and Corporate Affairs Letters Patent incorporating the increase in the authorized capital of the Company.



Through a successful rights offering to the shareholders on April 28, 1978, the Company completed the sale of 119,097 common shares. The net proceeds of this offering which was over-subscribed, were \$1,429,164. This additional capital provided the base required to complete the growth plan for the Company's assets and profits in 1978.

Arrangements were made in November to sell 200,000 floating rate Series A Preference Shares with a par value of \$20.00 per share for a total of \$4,000,000. On January 2, 1979, 50,000 shares were issued and the balance of these shares will be issued during 1979 as the growth of your Company requires new capital. This sale of shares, which was made on favourable terms to your Company, along with retained earnings, will provide sufficient capital to meet our growth needs into the first quarter of 1980.

Dividends In 1976, your Company paid its first dividend of 20¢ a share. In 1977 a total of 25¢ per share was paid and in 1978 the dividend was increased to 30¢ a share. Your Board of Directors is examining the dividend policy of the Company in view of the planned expansion of our business over the next five years. It is the intention of the Company to increase the dividend when considered prudent to a level consistent with the dividend payout ratio of the trust industry. In recent years the trust industry dividend rate has averaged 40 per cent to 45 per cent of earnings. We expect to comment further on this later in the year.

Branches 1978 was a busy year for your Company as we assessed the potential of the existing branch system and made plans to expand. In Hamilton and Ottawa, our existing branches were expanded to full representative office status and managers were appointed to develop our Guaranteed Investment Certificate services and establish a network of correspondents.

A building was purchased in Picton and after renovations were completed, our oldest branch moved into new expanded premises to serve our customers in Prince Edward County. Our Markham branch was also expanded and moved to a more central location on Main Street. The mortgage office previously located in Scarborough was moved to a more central location in metropolitan Toronto and all of our residential mortgage production for the Toronto area will be managed from this branch.

Head Office Following an assessment of our head office and Toronto branch space requirements, it was decided to relocate our head office, mortgage department and Toronto branch in new premises in the Canadian Pacific Building at 69 Yonge Street. By combining these operations in one location, we expect to improve efficiency and communications with our head office staff. This move, scheduled to be completed by February 1, 1979, provides for our head office space needs over the next three years with options on additional space should it be required in the future.

Management Several new management appointments were made during the year. Mr. James Wood was appointed Vice President in charge of branch operations and Mr. Kenneth Lucas was appointed Vice President in charge of

mortgage operations. In the branch system, the following appointments were made: Mr. Glenn Campbell as Manager, Willowdale mortgage production office, Mr. Joseph Reynolds as Manager, Hamilton mortgage production office, Mr. William Jackson as Manager, Hamilton savings services, Mr. Lorne Reid as Manager, Markham office, Mr. David Reid as Manager, Paris office, Mr. Gerald Kavanagh as Manager, Wingham office.

Directors During the year, the Company accepted the resignation of Michael J. Murray. The Directors are indebted to Mr. Murray for his contribution to the success of the Company.

In March, Helen Roman-Barber, Vice President and Director of Roman Corporation and Special Assistant to the Chairman of the Board of Denison Mines Limited, was appointed a Director of the Company. In September, The Honourable Eric A. Winkler was appointed to the Board. Over a period of more than 25 years, Mr. Winkler served the people of Grey-Bruce Counties in the federal, provincial and municipal governments. During his terms in the Ontario government, he served in the Cabinet as Minister of Revenue, Vice Chairman of the Treasury Board, Deputy House Leader, Minister of Consumer and Commercial Relations, and Chairman of the Management Board of the Cabinet.

Certificates, savings and term deposits Certificates, savings and term deposits at the end of 1978 totalled a record \$165,818,897 an increase of 48 per cent from the previous year's total of \$111,732,087.

In April, a new savings service was developed and tested successfully in our Picton and Markham offices. As a result, our Brampton, Walkerton and Woodstock branches were expanded to full service offices with savings, chequing and trustee services.

Guaranteed Investment Certificate sales increased by 114 per cent to \$67,285,817 as compared to \$31,469,215 in 1977. The growth in deposits over the year has been most satisfactory and reflects the increasing confidence of customers in Standard Trust. The total number of Guaranteed Certificates increased to 29,027 from 21,524 in 1977.

As in previous years, approximately 75 per cent of our Guaranteed Investment Certificate business originated from Standard Trust's agency and correspondent system throughout rural Ontario. We now have more than 2,000 qualified independent financial and professional advisors placing Guaranteed Investment Certificates for us in towns and villages where we are not represented. We appreciate the confidence our correspondents have shown in us over the years and wish to assure them that we intend to continue our commitment to the correspondent system.

Mortgages In 1978 we achieved the largest increase in our mortgage portfolio in the history of the Company. New mortgage commitments totalled \$76,252,009. In keeping with our policy of concentrating on residential lending, 92 per cent of our new loans were made on residential properties. During 1978 64 per cent of new mortgage loans were insured under the National Housing Act or by an authorized mortgage insurance company.

Your Company is proud of its contribution to home ownership in Canada, particularly in small towns and rural areas. We will continue to seek out residential mortgage investments in these areas.

Outlook Your Company's operations have been characterized by a concentration in the small cities and towns and rural areas of Ontario. We have developed a growing customer base in these areas by providing competitive products and good service.

We feel confident in the basic strength of the economy in these areas, which depend primarily on agricultural production for their vitality. As a result, we intend to compete aggressively to increase our share of this market by opening four new branches and extending our network of financial correspondents. In January, 1979 new branches will be opened in Paris and Wingham. Plans have been made to locate a new branch in Perth, Ontario, which we expect to open in March and in one other location later in the year.

We will continue to seek out new expansion opportunities in 1979. Several potential trust and loan company acquisitions have been considered. Extensive examinations of the investment management and leasing business have been made in anticipation of entering these markets. As well we are expanding our mortgage activities through our new branches and new services in construction financing and mortgage banking.

Staff During the year we strengthened our Company through the addition of competent new management and staff to enable us to meet the growth potential of the Company. The results achieved during the past year are due to the fine efforts and level of efficiency of our employees. We are indebted to them for their fine performance on our behalf.

Shareholders, correspondents and customers are invited to the Annual Meeting which will take place at 2:30 p.m. on March 7, 1979 in the New Brunswick Room, Royal York Hotel, Toronto.

On behalf of the Board



Brian R. O'Malley,
President and Chief Executive Officer

January 11, 1979

Combined Balance Sheet

Standard Trust Company and its Guaranteed Trust Fund

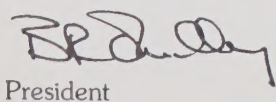
Assets	December 31, 1978	December 31, 1977
Cash	\$ 704,962	345,207
Term deposits and short-term notes	8,133,661	3,993,193
Securities (note 2):		
Bonds	4,986,297	6,021,972
Stocks	8,433,082	3,569,106
	13,419,379	9,591,078
Mortgages receivable	161,677,146	114,087,611
Other assets	942,670	623,015
Fixed assets:		
Premises, equipment and leasehold improvements	456,936	267,076
Less accumulated depreciation	226,211	191,090
	230,725	75,986
	\$185,108,543	128,716,090

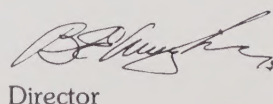
Liabilities

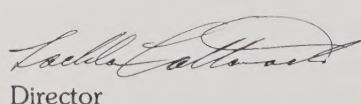
Guaranteed trust account (note 3):		
Demand deposits	\$ 9,024,545	6,527,330
Term deposits	3,377,339	1,878,803
Guaranteed investment certificates	153,417,013	103,325,954
	165,818,897	111,732,087
Mortgages payable	10,442,215	10,572,455
Accounts payable and accrued expenses	322,920	148,549
Deferred income taxes	1,190,700	914,800
Shareholders' equity:		
Capital stock (notes 4 and 8):		
Preference shares of the par value of \$20 each, issuable in series.		
Authorized 1,000,000 shares; issued nil.	—	—
Common shares of the par value of \$10 each. Authorized 2,000,000 shares; issued 416,996 shares (1977 — 297,744 shares)	4,169,960	2,977,440
Contributed surplus	510,085	271,581
Retained earnings	2,653,766	2,099,178
Total shareholders' equity	7,333,811	5,348,199
	\$185,108,543	128,716,090

See accompanying notes to financial statements.

We certify that, to the best of our knowledge and belief, the above statement is correct and shows truly and clearly the financial condition of the company's affairs.


President


Director


Director

Statement of Income

Years ended December 31	1978	1977
Revenue:		
Interest on mortgages	\$13,598,602	10,322,852
Interest and dividends from investments	1,672,174	1,007,442
Fees and commissions	179,383	71,301
Other	275,858	211,685
	15,726,017	11,613,280
Expenses:		
Interest on deposits and certificates	12,679,000	9,284,154
Staff salaries and benefits	908,211	837,273
Other operating expenses, including depreciation of \$35,164 (1977 — \$33,127)	1,120,259	796,776
	14,707,470	10,918,203
Operating income before income taxes	1,018,547	695,077
Income taxes	261,200	162,700
Net operating income	757,347	532,377
Gain on sale of securities less related income taxes of \$14,700	14,349	—
Net income	\$ 771,696	532,377
Earnings per share:		
Net operating income	\$ 2.00	1.79
Gain on sale of securities	.04	—
Net income	\$ 2.04	1.79

See accompanying notes to financial statements.

Statement of Retained Earnings

Balance at beginning of year	\$ 2,099,178	1,697,879
Add net income	771,696	532,377
	2,870,874	2,230,256
Deduct:		
Dividends paid	107,188	74,436
Tax on dividends received, net of recoveries	109,920	56,642
	217,108	131,078
Balance at end of year	\$ 2,653,766	2,099,178

See accompanying notes to financial statements.

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

The financial statements have been prepared in accordance with generally accepted accounting principles and those of particular significance are set out below:

(a) *Accounting Presentation:* The combined balance sheet includes the assets and liabilities of the company and of its Guaranteed Trust Fund.

(b) *Investments:* Bonds and mortgages are stated at amortized cost with discounts and premiums amortized over the term to maturity. Stocks are stated at cost. Gains and losses on investments are recorded only upon realization of such investments except where there is a decline in value which is other than temporary, at which time a provision for loss is made.

(c) *Fixed Assets:* Premises, equipment and leasehold improvements are stated at cost. Depreciation is based on the estimated useful life of the assets, calculated on a straight-line or diminishing balance method as considered most appropriate for each type of asset.

(d) *Income Taxes:* Income taxes are provided on reported income in accordance with the tax allocation method. Under this method deferred income taxes are recorded for timing differences between reported and currently taxable income.

(e) *Commissions and Finders' Fees:* The costs of commissions and finders' fees paid on the sale of guaranteed investment certificates or acquisition of mortgages are deferred and amortized by charges to income over the terms of the certificates and mortgages.

(f) *Earnings per Share:* Earnings per share have been computed on net income divided by the weighted average number of common shares outstanding during the year.

2. Securities:

Cost and market values, including accrued interest:

	1978		1977	
	Cost	Market	Cost	Market
Bonds:				
Government of Canada	\$ 212,965	190,515	239,325	222,972
Provinces of Canada	4,148,710	3,512,389	4,247,496	3,812,865
Corporate	624,622	534,457	1,535,151	1,372,831
	4,986,297	4,237,361	6,021,972	5,408,668
Stocks	8,433,082	8,408,849	3,569,106	3,747,865
	\$13,419,379	12,646,210	9,591,078	9,156,533

3. Assets of the Guaranteed Trust Fund:

Included in the combined balance sheet are the following assets of the Guaranteed Trust Fund:

	1978	1977
Cash	\$ 749,061	236,496
Term deposits and short-term notes	8,133,661	3,993,193
Securities:		
Bonds	2,944,759	3,770,758
Stocks	2,617,562	158,204
Mortgages	151,373,854	103,573,436
	\$165,818,897	111,732,087

4. Capital stock:

(a) During the year, shares of the company's capital stock were issued for cash consideration as follows:

	Number of shares	Issue price	Credited to Capital stock	Contributed surplus
On exercise of rights granted to share-holders to purchase four shares for each ten shares held	119,097	\$12.00	1,190,970	238,194
To employees	155	12.00	1,550	310
	119,252		\$1,192,520	238,504

(b) By Letters Patent dated May 30, 1978 the share capital of the company was altered by redesignating the existing 500,000 shares of the par value of \$10 each as common shares, by the creation of an additional 1,500,000 common shares of the par value of \$10 each, and by the creation of 1,000,000 preference shares of the par value of \$20 each, issuable in series.

(c) The company has entered into a subscription agreement dated November 16, 1978 for the sale to a chartered bank of 200,000 cumulative redeemable preference shares, series A at a price of \$20 per share. The first closing shall take place on or before January 2, 1979 and shall be for at least 50,000 shares. Subsequent closings shall take place before December 31, 1980. The preference shares, series A will be subject to the following conditions:

(i) *Dividend:*

The annual dividend rate shall be equal to 1% plus one half the bank's prime lending rate from time to time.

(ii) *Redemption:*

Subject to the consent of the Superintendent of Insurance (Canada), the company has agreed to redeem the preference shares commencing in the sixth year following each issue date in an amount not less than 20% of the shares issued on such issue date and continuing annually until all such shares have been redeemed. The company has the option of redeeming the whole or any part of the preference shares at any time. In each case, the redemption price shall be equal to par value plus all accrued and unpaid dividends thereon.

(d) Options to purchase shares of the capital stock of the company are outstanding as follows:

Number of shares	Option price per share	Expiry date
9,000	\$10.00	February, 1981
7,500	11.48	December, 1982

In addition, a maximum of 7,500 shares are reserved for options to be granted subject to a minimum return on equity in any fiscal year. The option price will be 10% below the market price of the shares at the date of grant, and will expire 5 years after the date of grant.

The exercise of options outstanding would not materially dilute earnings per share.

5. Commitment:

The Company leases premises under agreements covering various periods extending to 1989. Aggregate rentals payable under these leases amount to \$942,500 of which \$151,000 will be payable in 1979.

6. Contingent liability:

The company and 10 other parties are co-defendants in a legal action claiming \$200,000 plus costs from the said parties. In the opinion of the company's solicitors, the merit of the litigation and consequently the company's liability, if any, cannot be determined at this time and accordingly, no provision has been made thereon.

7. Directors' and Officers' Remuneration:

The aggregate direct remuneration of directors and senior officers during the year was \$244,189 (1977 — \$300,661).

8. Subsequent Event:

On January 2, 1979, the company issued 50,000 preference shares, series A under the subscription agreement referred to in note 4(c) at a price of \$20 per share.

Auditors' Report

To the shareholders of Standard Trust Company

We have examined the combined balance sheet of Standard Trust Company and its Guaranteed Trust Fund as at December 31, 1978 and the statements of income and retained earnings of the company for the year then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company and its Guaranteed Trust Fund as at December 31, 1978 and the results of operations of the company for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co., Chartered Accountants

Toronto, Canada, January 8, 1979

Five Year Summary

Operating results	1978	1977	1976	1975	1974
Revenue	\$15,726,017	\$11,613,280	\$9,745,168	\$8,017,078	\$6,711,025
Expenses	\$14,707,470	\$10,918,203	\$9,162,367	\$7,436,996	\$6,203,757
Income taxes	\$ 261,200	\$ 162,700	\$ 140,800	\$ 177,800	\$ 155,500
Net operating income	\$ 757,347	\$ 532,377	\$ 442,001	\$ 402,282	\$ 351,768
Year-end Position					
Total assets	\$185,108,543	\$128,716,090	\$112,563,546	\$99,910,588	\$86,081,108
Total mortgages	\$161,677,146	\$114,087,611	\$100,158,001	\$87,262,457	\$75,594,957
Total securities	\$ 13,419,379	\$ 9,591,078	\$ 9,086,506	\$ 8,345,847	\$ 7,797,007
Total deposits	\$165,818,897	\$111,732,087	\$ 94,183,000	\$81,286,032	\$68,662,414
Shareholders' equity	\$ 7,333,811	\$ 5,348,199	\$ 4,946,900	\$ 4,595,824	\$ 4,224,842
Dividends paid	\$ 107,188	\$ 74,436	\$ 59,549	—	—
Weighted average number of shares outstanding	378,672	297,744	297,744	297,744	297,744
Per share					
Net operating income	\$ 2.00	\$ 1.79	\$ 1.48	\$ 1.35	\$ 1.18
Dividends paid	\$ 0.30	\$ 0.25	\$ 0.20	—	—
Shareholders' equity	\$17.59	\$17.96	\$16.61	\$15.44	\$14.19



1

2

3

4

5

Standard Trust Services

1-Account

Standard Trust's new 1-Account offers high interest on savings, plus chequing privileges. Interest is calculated on the minimum monthly balance, and compounded semi-annually. You may write three free cheques each month, plus an extra free cheque for each \$100 minimum balance over \$300. If you are a senior citizen, 60 years or over, all your cheques are free. A personal passbook records all of your transactions. Cheque forms are provided by Standard Trust, and personalized cheques are available at low cost.

Chequing Account

A Standard Trust chequing account allows an unlimited number of cheques for a small fee. Interest is paid in June and December on accounts having a minimum half-yearly balance of \$500 or more.

Short Term Deposits

Standard Trust pays high interest on funds of \$10,000 or more deposited for periods of 30 to 59 days, 60 to 89 days, 90 to 179 days, and 180 to 364 days. Consult your Standard Trust branch manager about the special interest rates available.

Guaranteed Investment Certificates

High interest rates are available to the investor for periods of one to five years on amounts of \$500 or more. Interest is payable monthly, half-yearly, yearly, or compounded and

paid at maturity. Certificates can be renewed at maturity at prevailing interest rates.

Mortgage Loans

Mortgages are available on residential, commercial and rural properties at competitive rates. They may be tailored to suit your needs through term and payment structure. Interim financing is also available.

Collateral Loans

The company will make loans on its Guaranteed Investment Certificates presented as collateral. Loans are also available on Income Averaging Certificates and Retirement Savings Plans.

Registered Retirement Savings Plan

Our Guaranteed Retirement Savings Plan offers high interest through five-year Guaranteed Investment Certificates with no administration or management fees. Your tax savings and interest accumulation will add much to your retirement income.

Registered Home Ownership Savings Plans

The way to save for your first home. You may deduct up to \$1,000 a year from your taxable income and earn high interest at the same time. Savings may be withdrawn tax-free for the purchase of your first home.

Income Averaging Certificates

A way to reduce tax payable whenever 'unusual income' is received in any one year. The 'unusual income' for which there are many categories, can be spread over any period up to 15 years, and be paid to you monthly, quarterly, semi-annually or annually. These certificates are available in amounts from \$3,500.

Deposit by Mail

Postage-free envelopes are available for the deposit of savings and chequing by mail, or the purchase of certificates of any kind.

Money Orders and Travellers Cheques

Standard Trust full savings offices have Canadian and foreign funds available for use at home or abroad.

Trustee and Agency Services

Standard Trust Company's Estates, Trusts and Agency Division acts as custodian for pension plans, profit sharing plans, welfare plans and cemetery trusts.

1. The Hanover Nursing Home, Hanover, is one of several institutions on which loans have been made.
2. This Rockwood area farm is typical of rural properties covered by a Standard Trust mortgage.
3. Residential mortgages are available at competitive rates. This home is in Bowmanville.
4. Business with home owners in small towns and villages, and with farmers, is of particular interest to Standard Trust branch managers and their many financial correspondents. This attractive farm is located near Newcastle.
5. Mortgages on commercial properties, such as Cumberland Centre, Burlington, form an important part of Standard Trust's business.



1



2



3



4

1. The Company's office in Markham was moved to a more convenient and attractive location in September, 1978. (Interest rate on Guaranteed Investment Certificates has increased since this photograph was taken.)

2. Lorne D. Reid, Manager, Markham branch, is shown centre with two of Standard Trust's financial correspondents, Arthur T. Whitney, Uxbridge, on the left, and George E. Edwards, Sunderland.

3. Standard Trust opened a new branch in Paris on January 18, 1979. Here Paris Reeve Mrs. Norman Leighfield, and President Brian O'Malley attend to the ribbon-cutting ceremony.

4. Shown at the opening of Picton branch on September 20, 1978, are Manager Virginia F. Ralley; Harvey McFarland, Director; James Wood, Vice President; and Donald King, Mayor of Picton and one of Standard Trust's financial correspondents.

Standard Trust Company

Guaranteed Investment Certificates

Standard Trust Guaranteed Investment Certificates are authorized investments under:

the Income Tax Act (Canada)
the Canadian and British Insurance Companies Act (Canada)
the Foreign Insurance Companies Act (Canada)
the Insurance Act (Ontario)
the Trustee Act (Ontario)
the Pension Benefits Acts of Alberta, Manitoba, Saskatchewan, Ontario and Canada
the Supplemental Pension Plans Act (Quebec)
the Deposits Regulation Act (Ontario)
the Investment Contracts Act (Ontario)
the Loan and Trust Corporations Act (Ontario)
the Pension Fund Society Act (Canada)
the Trust Companies Act (Canada)
the Loan Companies Act (Canada)
the Pension Benefits Standards Act (Canada)

Member of the Canada Deposit Insurance Corporation.
Approved lenders for Central Mortgage and Housing Corporation, Insmor Mortgage Insurance Company and The Mortgage Insurance Company of Canada.



Member of the Trust Companies Association of Canada.

Standard Trust Company

Branch Offices

Brampton

8 Main Street, South
Brampton, Ontario L6W 2C3
Telephone: (416) 457-4448
Kenneth G. Erickson, A.T.C.I.,
Manager

Chatham

40 Centre Square
P.O. Box 906
Chatham, Ontario N7M 5L3
Telephone: (519) 351-3242
Douglas Bossence, Manager,

Hamilton

Suite 806
20 Hughson Street, South
Hamilton, Ontario L8N 2A1
Telephone: (416) 523-6630
Joseph Reynolds, C.M.A.I.C.,
Mortgage Manager

Markham

45 Main Street, North
Markham, Ontario L3P 1X3
Telephone: (416) 294-6865
Lorne D. Reid, Manager

Ottawa

Suite 1003
130 Albert Street
Ottawa, Ontario K1P 5G4
Telephone: (613) 238-6416
William L. Jackson, Manager,
Savings Services

Paris

89 Grand River Street, North
Paris, Ontario N3L 2M3
Telephone: (519) 442-2221
David Reid, Manager

Perth

34 Gore Street, East
Perth, Ontario K7H 1H5
(opening — March, 1979)

Picton

Main and Ross Streets
Picton, Ontario K0K 2T0
Telephone: (613) 476-3105
Virginia F. Ralley, A.T.C.I.,
Manager

Toronto

Suite 100
69 Yonge Street
Toronto, Ontario M5E 1K3
Telephone: (416) 868-6900
Laurence G. Aldebert, A.T.C.I.,
Manager

Walkerton

339 Durham Street
P.O. Box 188
Walkerton, Ontario N0G 2V0
Telephone: (519) 881-2150
Raymond A. Bolt, A.T.C.I.,
Manager

Willowdale

Suite 210
45 Sheppard Avenue, East
Willowdale, Ontario M2N 2Z8
Telephone: (416) 224-5770
Glenn A. Campbell, Manager

Wingham

237 Josephine Street
Wingham, Ontario N0G 2W0
Telephone: (519) 357-2022
Gerald O. Kavanagh, Manager

Woodstock

382 Dundas Street
P.O. Box 1060
Woodstock, Ontario N4S 8A4
Telephone: (519) 539-5601
James D. Livingstone, Manager



**STANDARD
TRUST**